



Iowa Department of Human Services

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INFORMATIONAL LETTER NO. 1328

DATE: December 3, 2013

TO: Home Health Agencies, Home Health Services Program

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: CMS Approval of Low Utilization Payment (LUPA) Methodology

EFFECTIVE: July 1, 2013

CMS Approval for LUPA Reimbursement Methodology

The Iowa Medicaid Enterprise (IME) recently received official approval from the Centers for Medicare and Medicaid Services (CMS) to implement the LUPA for the Home Health Services (HHS) program.

Additional details will be communicated in an upcoming informational letter (IL) that will provide specifics regarding the following:

- The process for re-pricing all paid claims with dates of service since July 1, 2013, for the HHS program to align with the LUPA methodology.
- Submission of final cost reports for the cost-based reimbursement methodology.

It is important to have a full understanding of the basic LUPA concepts. As such, the IME has already received a number of questions regarding LUPA rates and the implementation of this rate reimbursement. Please refer to [Informational Letter 1256](#) and the [LUPA Rates](#) sheet, which can answer most of the questions received. Among the more common questions received include the following:

What are my LUPA rates?

Follow the steps below to locate your LUPA rate from the LUPA Rates link above:

- Note the first column labeled City/County and the 10 separate sections under this column.
- Find the county in which your home health agency is located. If the county is not listed, find the last section labeled Nonurban.
- Follow your county or nonurban section immediately to the right of the last column labeled, "Final LUPA Rate". The Final LUPA Rate section will identify rates according to the revenue code/service for the HHS program.

Do the LUPA rates apply to the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Private Duty Nursing/Personal Cares (PDN/PC) program?

No, LUPA rates do not apply to this program. Please refer to [Informational Letter 1299](#) and [Informational Letter 1254](#) for the reimbursement changes to the EPSDT PDN/PC program.

Why don't home health agencies for the HHS program need to submit cost reports anymore?

The LUPA methodology is a rate schedule based on a national basis schedule that Medicare develops. Cost reporting will no longer be required.

Why does IL 1256 include information about a final cost report?

The IME requested an approval date of July 1, 2013 for the LUPA methodology. Until July 1, 2013, the cost-based/cost reporting rate methodology remained in effect; therefore, all HHS agencies must submit a final cost report that establishes reimbursement rates from the time of your agency's last reporting period through June 30, 2013.

If neither Informational Letter 1256 nor the above general questions answer your questions, please send an email to LUPA@dhs.state.ia.us. You may also contact IME Provider Services Unit at (800) 338-7909, locally in the Des Moines area at (515) 256-4609, or by email at imeproviderservices@dhs.state.ia.us. Questions and responses will be posted to the [LUPA Frequently Asked Questions and Answers](#) form, which is located in the [IME Provider Services website](#) under News and Announcements.

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